Guidance on related party disclosure requirements

Does the supplier have total annual opex and capex of $20 million or less?

YES → Limited disclosure required (supplier meets a de minimis threshold)*

NO ↓

Are related party transactions less than 10% of total annual opex and capex?

YES → Limited disclosure required (supplier meets a de minimis threshold)*

NO ↓

Do related party transactions exceed 65% of total capex?

YES →

NO ↓

Do related party transactions exceed 65% of total opex?

YES → Is the supplier eligible to elect not to obtain an independent report based on a prior report?

NO → Full disclosure ***and*** an independent report from an independent appraiser is required

YES → Full disclosure ***without*** an independent report from an independent appraiser is required

NO ↓

Is the independent auditor able to conclude that the related party transactions meet the arm's-length valuation rule?

NO → Full disclosure ***and*** an independent report from an independent appraiser is required

YES → Full disclosure ***without*** an independent report from an independent appraiser is required

See table on next page for thresholds and elements of each disclosure

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*Meeting the de minimis threshold means there is no requirement for an independent report, even if an auditor provides a modified assurance opinion

Thresholds and elements for each disclosure

Limited disclosure	**EDB, GDB & GTB Clauses/Schedule**
Thresholds	
Total annual opex/capex is less than $20 million	ID clause 2.3.9(1)
Total related party annual expenditure is less than 10% of opex/capex	ID clause 2.3.9(2)
Disclosure requirements for limited disclosure	
Assurance report – arm's-length test	ID clause 2.8.1(1)(d)
Key audit matters	ID clause 2.8.1(2)
Diagram or description of related party transactions	ID clause 2.3.8
Report on related party transactions	Schedule 5b

Full disclosure *without* an independent report	**EDB, GDB & GTB Clauses/Schedule**
Thresholds	
Related party capex transactions exceed 65%	ID clause 2.8.2(1)
Related party opex transactions exceed 65%	ID clause 2.8.2(2)
Independent auditor does not conclude related party transactions meet the arm's-length valuation rule and disclosures	ID clauses 2.8.2(3)
Supplier elects not to provide an independent report (if conditions for election are met)	ID clause 2.8.5
Disclosure requirements for full disclosure without independent report	
All limited disclosure requirements listed above	
Summary of procurement policy	ID clause 2.3.10
Example of procurement policy in practice	ID clause 2.3.12(1)
Representative transactions	ID clauses 2.3.12(3) & (5)
Policies or procedures that require or have the effect of requiring purchase	ID clause 2.3.12(2)
Testing of arm's-length representative transactions	ID clause 2.3.12(4)
Map of anticipated expenditure and network constraints	ID clauses 2.3.13 – 2.3.16
Full disclosure of procurement policy	ID clause 2.3.11

Full disclosure *and* an independent report	**EDB, GDB & GTB Clauses/Schedule**
Thresholds	
Related party capex transactions exceed 65%	ID clause 2.8.2(1)
Related party opex transactions exceed 65%	ID clause 2.8.2(2)
Independent auditor does not conclude related party transactions meet the arm's-length valuation rule and disclosures	ID clauses 2.8.2(3)
Supplier elects not to provide an independent report (if conditions for election are met)	ID clause 2.8.5
Disclosure requirements for full disclosure with an independent report	
All limited and full disclosure requirements listed above	
Content of the report	ID clause 2.8.4
Roll forward statement (if applicable)	ID clause 2.8.3(1)